

Ernie Fletcher
Governor

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Environmental and Public
Protection Cabinet

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Mark David Goss
Chairman

Teresa J. Hill
Vice Chairman

Gregory Coker
Commissioner

October 24, 2005

RE: Case No. 2005-00393

We enclose one attested copy of the Commission's Order in the above case.

Sincerely,

A handwritten signature in black ink, appearing to read "Beth O'Donnell".

Beth O'Donnell
Executive Director

BOD/su
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF MIKE)	CASE NO. 2005-00393
LITTLE GAS COMPANY, INC.)	

ORDER

On October 22, 2003, in Case No. 2003-00141,¹ the Commission approved rates for Mike Little Gas Company, Inc. ("Mike Little"), and provided for their further adjustment in accordance with Mike Little's gas cost adjustment ("GCA") clause.

On September 26, 2005, Mike Little filed its proposed GCA to be effective November 1, 2005. On October 13, 2005, Mike Little supplied revised information for its filing.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Mike Little's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Mike Little's expected gas cost ("EGC") is \$15.1208 per Mcf. Mike Little incorrectly calculated its line loss adjustment. Correcting for this produces an EGC of \$16.7547, which is an increase of \$6.1935 per Mcf from the previous EGC of \$10.5612.
3. Mike Little's notice sets out no current quarter refund adjustment ("RA"), and it had no RAs from previous quarters.

¹ Case No. 2003-00141, Application of Mike Little Gas Company, Inc. for an Adjustment of Rates Pursuant to the Alternative Rate Filing Procedure for Small Utilities, Order dated October 22, 2003.

4. Mike Little's notice sets out a current quarter actual adjustment ("AA") of (48.49) cents per Mcf. Mike Little incorrectly calculated its monthly cost difference. Correcting for this produces a current quarter AA of (34.64). Mike Little's notice sets out a total AA of 83.39 cents per Mcf. Mike Little included an expired prior quarter AA in its total. Correcting for this produces a total AA of 39.49 cents per Mcf, which is a decrease of 42.29 cents per Mcf from the previous total AA.

5. Mike Little's GCA is \$17.1496 per Mcf, which is \$5.7706 per Mcf more than the previous rate of \$11.3790.

6. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for billing for service rendered by Mike Little on and after November 1, 2005.

IT IS THEREFORE ORDERED that:

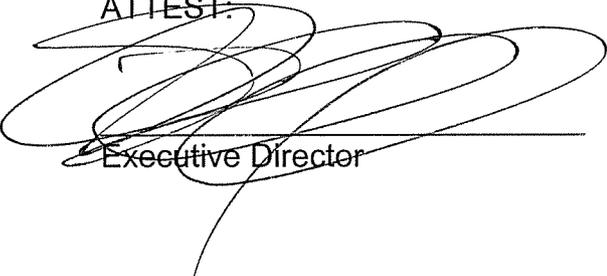
1. The rates in the Appendix, attached hereto and incorporated herein, are approved for billing for service rendered on and after November 1, 2005.

2. Within 20 days of the date of this Order, Mike Little shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 24th day of October, 2005.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2005-00393 DATED October 24, 2005.

The following rates and charges are prescribed for the customers in the area served by Mike Little Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First 1 Mcf -- Minimum Bill	\$5.50	\$17.1496	\$22.6496
Over 1 Mcf	4.3271	17.1496	21.4767